



THE STATE OF NEW JERSEY

DEPARTMENT OF LAW & PUBLIC SAFETY

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Gurbir S. Grewal
Attorney General



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Office of the Insurance Fraud Prosecutor

- Tracy M. Thompson,

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Bergen County Neurologist Faces New Charges in Superseding Indictment Alleging He Fraudulently Billed Insurance Companies for \$682,000 in Statewide Medical Kickback Scheme

TRENTON – Attorney General Gurbir S. Grewal and the Office of the Insurance Fraud Prosecutor announced today that a Bergen County neurologist indicted last year on third-degree charges in connection with a statewide medical kickback scheme now faces additional charges of health care claims fraud, misconduct by a corporate official, and other second-degree offenses, as the result of a newly returned superseding indictment.

The superseding indictment alleges Dr. Terry Ramnanan, 65, who operates the Interventional Spine and Pain Treatment Center facility in Paramus, used his medical facility to fraudulently bill insurance carriers for more than 637 medical procedures totaling \$682,000 related to patients involved in the kickback scheme. The 10-count superseding indictment was handed up to Superior Court Judge Peter E. Warshaw in Mercer County yesterday.

“The deeper our investigators dig, the more dirt they uncover on doctors who conspired to buy and sell patients for profit in this statewide kickback scheme,” said Attorney General Grewal. “Upon further information and review, additional, upgraded charges against Dr. Ramnanan are appropriate, given his alleged role in this conspiracy to corrupt New Jersey’s health care industry.”

Ramnanan, who lives in Upper Saddle River, is one of dozens of health care practitioners charged in connection with an ongoing investigation by the Attorney General’s Commercial Bribery Task Force (CBTF) that was formed in January 2016 to target commercial bribery in the health care industry. The task force includes deputy attorneys general and detectives from the Office of Insurance Fraud Prosecutor and the Division of Criminal Justice Financial & Computer Crimes Bureau.

The CBTF investigation has uncovered a statewide criminal enterprise in which doctors received hundreds of thousands of dollars in illegal kickbacks in return for providing patient referrals worth millions of dollars to other doctors and medical service providers.

In August 2017, Ramnanan was indicted on one charge each of third-degree conspiracy, commercial bribery, and criminal use of runners for allegedly paying Totowa chiropractor Ronald Hayek in exchange for patient referrals.

Ramnanan is now accused of bribing another health care professional, identified only by the initials A.A., for patient referrals and then fraudulently submitting insurance claims for medical treatment performed on those patients.

“Dr. Ramnanan’s alleged crimes are greater in number and more serious in nature than we originally believed. The charges contained in the superseding indictment reflect the true nature of his involvement in this scheme,” said Acting Insurance Fraud Prosecutor Tracy M. Thompson. “Our Commercial Bribery Task Force will continue to run down tips and follow leads to ensure that all those involved in this criminal enterprise are held fully accountable for their actions.”

In addition to the previous charges against Ramnanan, the superseding indictment contains additional charges of:

- Misconduct by a Corporate Official (2nd degree)
- Health Care Claims Fraud (two counts, 2nd degree)
- Theft by Deception (2nd degree)
- Commercial Bribery (3rd degree)
- Criminal Use of Runners (3rd degree)

It also upgrades the previous count of Conspiracy from 3rd degree to 2nd degree.

The charges are merely accusations and the defendant is presumed innocent until proven guilty. Second-degree crimes carry a sentence of five to 10 years in state prison and a fine of up to \$150,000, while third-degree crimes carry a sentence of three to five years in state prison and a fine of up to \$15,000.

According to the superseding indictment, between January 2012 and April 2016, Ramnanan conspired with both “A.A.” and Hayek in a kickback scheme in which Ramnanan paid them for referring patients for treatment at his medical facility. Hayek was among dozens of doctors charged in two prior medical fraud investigations that led to the formation of the Commercial Bribery Task Force:

- An investigation by the Division of Criminal Justice Financial & Computer Crimes Bureau that led to guilty pleas in 2016 from Dr. Manoj Patharkar and his associate Mohammed Shamshair on charges that they hid and laundered approximately \$3.6 million in income from the doctor’s pain management clinics to evade taxes, and
- “Operation Rayscam,” an investigation by the Office of the Insurance Fraud Prosecutor that led to guilty pleas in May 2015 from Rehan Zuberi, his wife, and three other defendants in connection with commercial bribes that Zuberi paid to doctors in return for the referral of patients to his medical imaging centers.

In July 2016, Hayek pleaded guilty to two accusations. The first accusation, filed by the Division of Criminal Justice Financial & Computer Crimes Bureau, charged him with second-degree conspiracy, second-degree money laundering, six counts of commercial bribery, (four in the second degree, two in the third degree), and one count of third degree failure to pay taxes. The second accusation, filed by the Office of Insurance Fraud Prosecutor, charged him with one count of third-degree conspiracy. He is awaiting sentencing.

In pleading guilty to the accusation filed by the Division of Criminal Justice, Hayek admitted he accepted tens of thousands of dollars in kickbacks from Shamshair, Patharkar, Ramnanan, and others, in exchange for referring patients to them and their related medical facilities. He also admitted paying commercial bribes to attorneys in exchange for the referral of clients to his practice. In pleading guilty to the accusation filed by the Office of Insurance Fraud Prosecutor, Hayek admitted to receiving kickbacks in exchange for referring patients to diagnostic imaging facilities owned or

Deputy Attorney General Colin Keiffer, of the Office of Insurance Fraud Prosecutor, presented the case to the grand jury.

Commercial Bribery Task force members Deputy Attorneys General Brian Faulk and Charles Wright, Deputy Chief Anthony Butler, Lt. Lisa Shea, Detective John Campanella, Detective Wendy Berg, Detective Grace Rocca, Detective Kimberly Allen, Detective John Neggia, Analyst Bethany Schussler, and Analyst Rita Gillis, are conducting and coordinating the investigation for the Division of Criminal Justice Financial & Computer Crimes Bureau, under the supervision of Deputy Bureau Chief Mark Kurzawa, and Bureau Chief Cheryl Maccaroni and Assistant Bureau Chief Jillian Carpenter for the Office of the Insurance Fraud Prosecutor. Additional assistance was provided by Supervising Criminal Forensic Auditor Debra Lewaine and Criminal Forensic Auditor Michael Birnie both of the Department of the Treasury's Office of Criminal Investigation, and the National Insurance Crime Bureau.

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